

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE,)	2004-00212
INC. FROM NOVEMBER 1, 2003 TO)	
APRIL 30, 2004)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission, on June 23, 2004, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of East Kentucky Power Cooperative, Inc. ("East Kentucky") for the six months ended April 30, 2004. Gallatin Steel was granted intervenor status, but did not participate, in these proceedings.

As part of this review, East Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Administrative Regulation 807 KAR 5:056. A public hearing was held on September 16, 2004.

The Commission has previously established East Kentucky's base fuel cost at 15.60 mills per Kwh.¹ A review of East Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the six-month period under review ranged from a low of

¹ Case No. 2002-00432, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2000 to October 31, 2002, Order dated April 30, 2003.

19.08 mills in December 2003 to a high of 22.15 mills in January 2004, with a six-month average of 20.05 mills.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of East Kentucky's FAC charges or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through its FAC for the period November 1, 2003 to April 30, 2004 are approved.

Done at Frankfort, Kentucky, this 29th day of October, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and flourishes, positioned above a horizontal line.

Executive Director